



Transportation Services Branch
Transportation and Marketing Programs
Agricultural Marketing Service
U.S. Department of Agriculture

Transportation Indicators for the Agricultural Containerized Shipping Industry

Second Quarter 2004

(April-June)

Issued August 2004

Issued August 2007

Indicator agricultural products U.S. to Asia	Current	% change	
		Last quarter	Last year
Rates - 2nd Quarter 2004			
Refrigerated shipments ¹	\$3,823	8%	8%
Dry shipments ²	\$1,046	(18%)	(41%)
Surcharges			
Bunker (fuel) Adjustment Factor ¹	\$230	20%	0%
Currency Adjustment Factor ³	54%	20%	23%
Volume - April 2004			
Outbound shipments ⁴	94 ⁵	(16%) ⁵	(8%) ⁵
Capacity - 4th Quarter 2003, all products			
Container slots available ⁴	1,514	(8%)	(1%)
Container slots used ⁴	1,004	2%	8%
% of container slots used	66%	11%	8%

¹per 40-foot container ²per 20-foot container ³for shipments to Japan only ⁴thousand 20-foot containers

⁵monthly data presented, not quarterly

[PDF Version](#) | [Past Issues of AgCI](#) | [Sources and Related Information](#)



The files contained in some of these pages are in Adobe Acrobat [PDF] format. Visit the [Adobe Acrobat Web site](#) if you need to download the Adobe Acrobat Reader used to view PDF files.

For information about this report, contact [April Taylor](#) or [Ron Hagen](#).

For technical assistance with this Web site, contact [April Taylor](#).

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's

TARGET Center at (202) 720-2600 (voice and TDD).

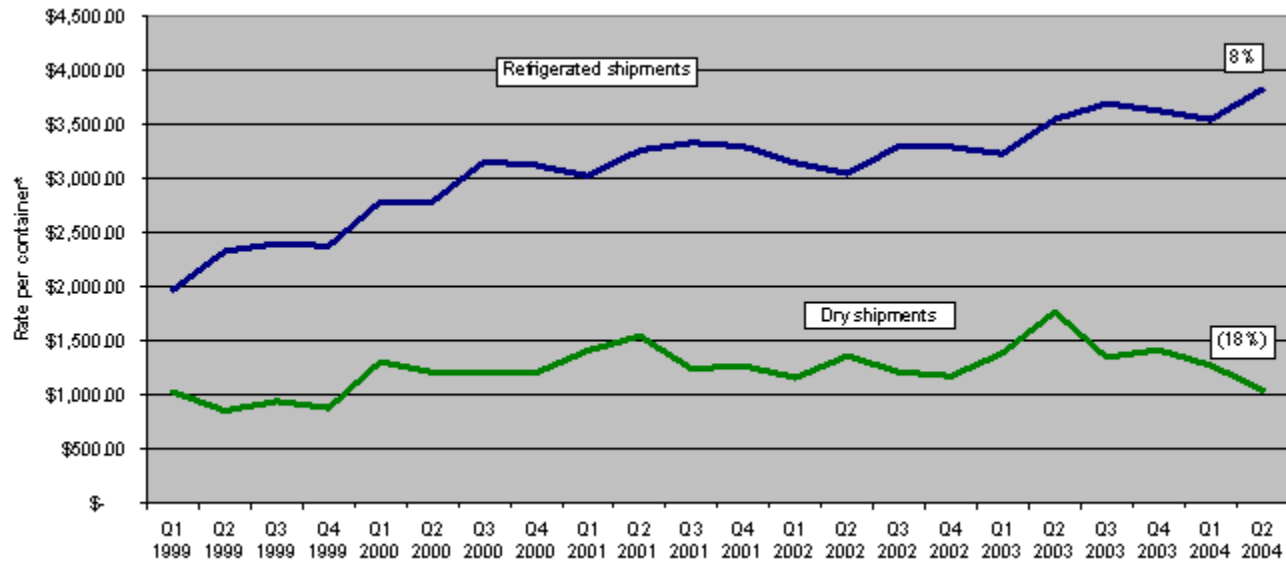
To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

Agricultural Container Indicators

[Back to AgCI Homepage](#)

Container Rates: Agricultural Shipments

Refrigerated and dry commodities, United States to Asia



*Refrigerated rates are for 40-foot containers. Dry rates are for 20-foot containers.

The indicators above are indices based on a group of tariff rates for commodities tracked quarterly in the *Ocean Rate Bulletin*. Rates are weighted by market share for each shipping line, trade lane, and commodity. The refrigerated rate index includes: poultry, lettuce, frozen potatoes, grapes, apples, and oranges. The dry rate index includes: almonds, animal feed, pistachios, raisins, soybeans, and lentils. Rates include all surcharges and are calculated on a typical shipment for each commodity. See the list of [Asian countries](#) used in determining the refrigerated and dry rates.

Source: Ocean Rate Bulletin, USDA/AMS, www.ams.usda.gov/tmd/ocean, 1999-2004

Refrigerated rates increase during quarter 2, 2004. Consistent with the recommendations of the Westbound Transpacific Stabilization Agreement (WTSA) refrigerated tariff rates increased 8 percent during quarter 2, 2004. The WTSA is a discussion group of major ocean carrier shipping lines operating in the U.S. to Asia trade lane. Member carriers discuss market situations, rates, and service availability. Additional rate increases for commodities such as apples and poultry to Asia have been filed to take effect in July and August ([see GRI page](#)). Rates for dry commodities to Asia decreased 18 percent from quarter 1, 2004; this is the lowest tariff rates have been for dry commodities since quarter 4, 1999.

Carriers prefer moving high-valued cargo from Asia. With the increased volume of exports from Asia to the United States, carriers are choosing to reposition empty containers back to major Asian ports to take advantage of greater revenue from growing Asian exports. Loading a container in the U.S. takes time as does unloading the container on arrival in Asia. Previously, carriers moved dry, low-valued cargo at a low rate to avoid repositioning an empty container which resulted in lost revenue.

So what? ([follow this link to expand](#))

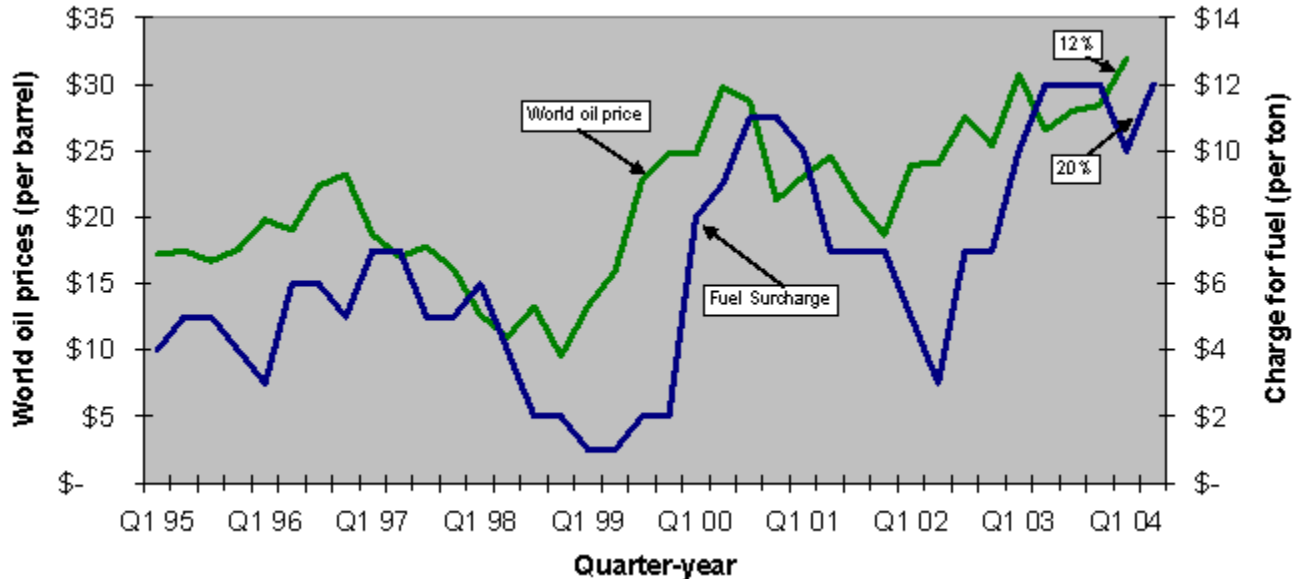
What is a container rate? ([follow this link to expand](#))

Agricultural Container Indicators

[Back to AgCI Homepage](#)

Surcharges: Bunker Adjustment Factor A Special Charge for Fuel

Bunker Adjustment Factor surcharge, compared with world oil prices



Sources: World Oil Prices: http://tonto.eia.doe.gov/oog/info/twip/twip_crude.html
Bunker Adjustment Factor: Ocean Rate Bulletin, USDA, www.ams.usda.gov/tmd/ocean

Bunker Adjustment Factor (BAF) surcharges increase. In response to increased marine fuel prices, carriers increased their BAF surcharge from \$10 to \$12 per metric ton during quarter 2, 2004 (See Bunker Adjustment Factor table). This \$2 increase in the fuel surcharge increases the cost of shipping a 40-foot container of hay by almost 6 percent. A \$12 BAF surcharge will remain in effect for quarter 3, 2004, according to publicly filed tariff rates and recommendations from the Westbound Transpacific Stabilization Agreement (WTSA).

Bunker Adjustment Factor		
Rate	Quarter 1	Quarter 2
Per 40-foot container	185	230
Per 20-foot container	148	184
Per ton	10	12

Increasing world oil prices affect shippers' fuel surcharge. World oil prices averaged \$38 per barrel during quarter 2, 2004 up 12 percent compared with the previous quarter. In early August, the price of crude oil had climbed over \$40 per barrel. Crude oil rates continue to fluctuate despite general improvement in oil inventories and increases in output by key Organization of the Petroleum Exporting Countries (OPEC). Since increasing world oil prices result in higher marine fuel prices, carriers pass on the extra fuel costs to shippers through a higher fuel surcharge.

So What? (follow this link to expand)

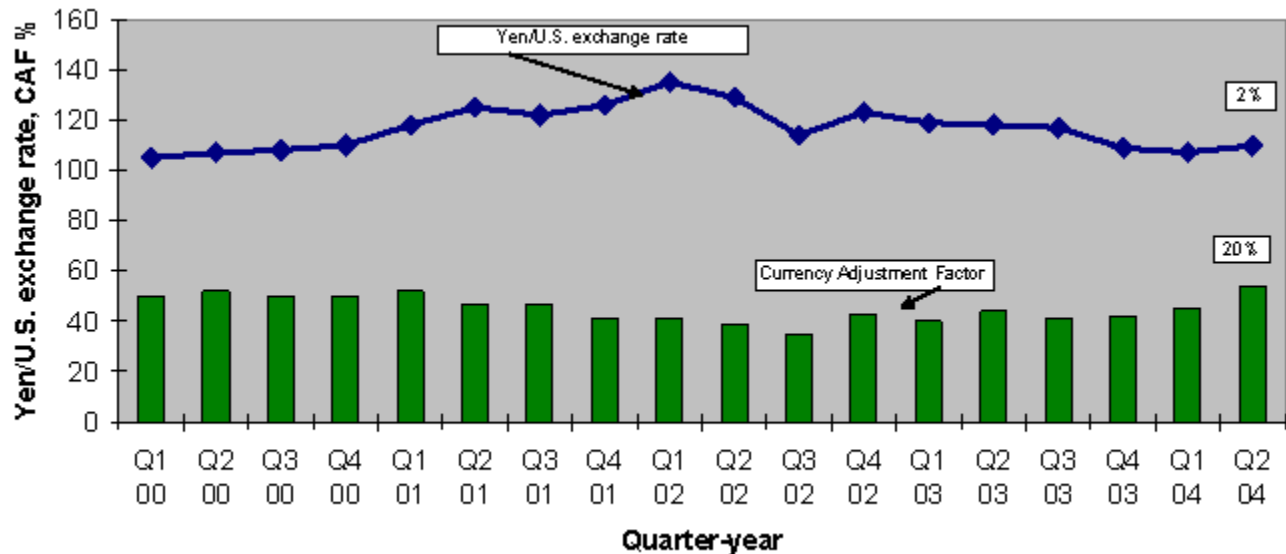
What is the BAF? (follow this link to expand)

Agricultural Container Indicators

[Back to AgCI Homepage](#)

Surcharges: Currency Adjustment Factor (Japan)

Comparison of the yen/dollar exchange rate with the Currency Adjustment Factor (CAF) for shipments to Japan



Sources: Federal Reserve Statistical Release, Foreign Exchange Rates, Historical Data <http://www.federalreserve.gov/releases/H10/hist/>; Ocean Rate Bulletin, AMS, 2000-2004

Quarter 2 reports highest Currency Adjustment Factor (CAF) surcharge since 1995. During quarter 2, the CAF surcharges used by most shipping lines for exports to Japan increased 20 percent over quarter 1. The second quarter's 54-percent CAF surcharge is the second highest recorded by USDA's [Ocean Rate Bulletin](#) since 1995 when the surcharge reached 58 percent. Since quarter 3, 2003, CAF surcharges for shipments to Japan have been consistently increasing due to fluctuations in the strength of the dollar versus the yen.

Currency Adjustment Factor		
Country	Quarter 1	Quarter 2
Japan	45%	54%
Singapore	8%	8%
Taiwan	4%	4%

CAF Surcharge Decrease Recommended for Quarter 3. Members of the Westbound Transpacific Stabilization Agreement (WTSA) have recommended a reduction in the CAF surcharge to 49 percent for exports to Japan during quarter 3, 2004 (See CAF Table). This is a decrease of 5 percentage points compared with the previous quarter. This reduction in the CAF surcharge represents a saving of \$130 for a 40-foot container of frozen poultry and a \$40 savings for a 40-foot container of hay. The WTSA has also recommended for quarter 3, 2004 a decrease in CAF surcharges of 1 percentage point for both Taiwan and Singapore.

So what? (follow this link to expand)

What is the CAF? (follow this link to expand)

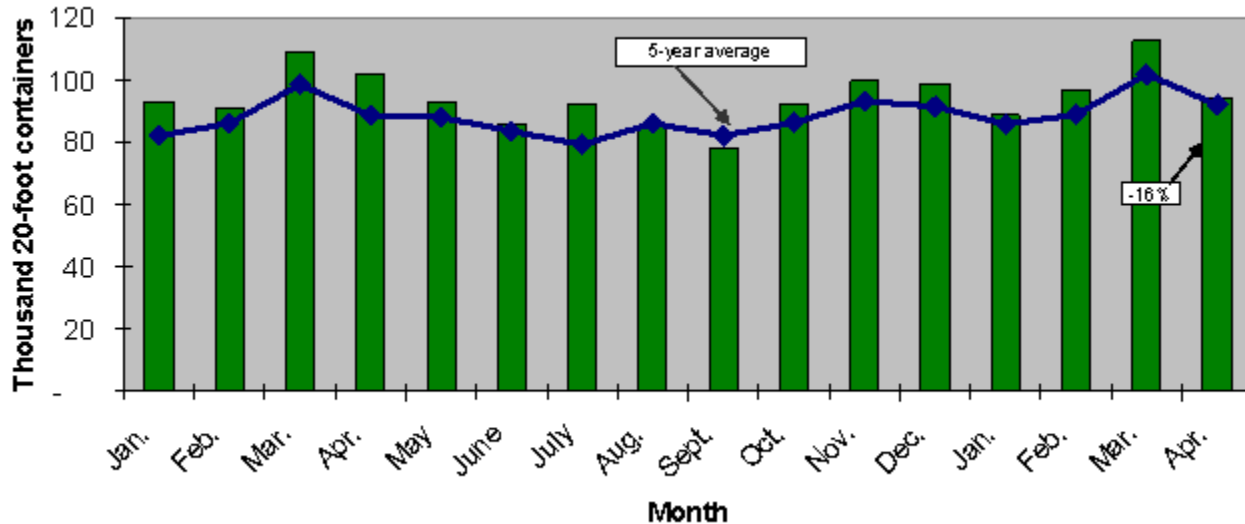
*Rate increases estimated from frozen poultry and hay shipments, respectively.

Agricultural Container Indicators

[Back to AgCI Homepage](#)

Outbound Volume: Agricultural Shipments

Containerized agricultural products, United States to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*, New York, 2003 and 2004
See a list of [Asian countries](#) used to calculate the volume numbers above.

Volume decreases during April 2004. Following the normal pattern for containerized agricultural exports, volume during April 2004 was down 16 percent from the previous month. Assisting this drop in volume were significant decreases in cotton, fruits and vegetables, poultry, and hides and skins. Containerized exports of cotton were down 24 percent from March to April 2004. Even though containerized agricultural exports were low in April, total U.S. agricultural exports during fiscal year 2004 are forecast to be \$61.5 billion breaking the 1996 record of \$59.8 billion. This is due to favorable exchange rates, strong global economic growth, reduced competition for cotton, wheat, and corn markets, and China's robust demand for U.S. agricultural products.

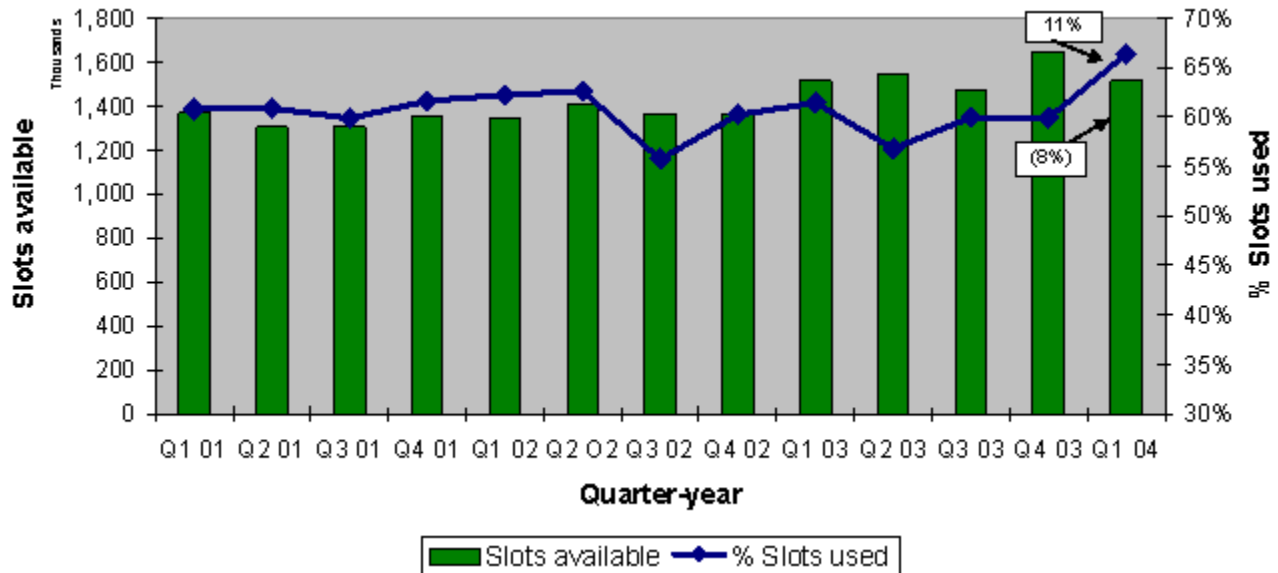
So what? (follow this link to expand)

Agricultural Container Indicators

[Back to AgCI Homepage](#)

Capacity and Utilization

Outbound container slots available vs. slots used, United States to Asia



Source: On Board Review, PIERS, New York, 2001-Q1 2004

Container slots used increase during quarter 1. The number of container slots made available by shipping lines during quarter 1, 2004 dropped 8 percent while the percentage of slots used increased 11 percent. This increase in the percentage of slots used is likely to be a result of the decrease in slots made available as well as the increase in overall cargo movements in the Trans-Pacific trade lanes. Shipping lines serving the Trans-Pacific trades are preparing for forecasted increases in cargo movements between the U.S. and Asia. To prepare for the increases, shipping lines are chartering more vessels, to the point that vessels are in great demand and short supply. The number of container slots available is likely to increase over the next year as shipping lines increase capacity by adding more scheduled voyages, chartering more container ships, and purchasing larger vessels with space for as many as 9,000 20-foot containers. The average container ship today holds approximately 4,000 20-foot containers.

So what? (follow this link to expand)

Agricultural Container Indicators

[Back to AgCI Homepage](#)

Container Rates: Agricultural Shipments General Rate Increases

Refrigerated and dry shipments

Commodity	Destination port	GRI	Shipping line	Effective date	Old rate	New rate
-----------	------------------	-----	---------------	----------------	----------	----------

Refrigerated commodities

Apples	Hong Kong	\$1,000	APL	July 1	\$3,000	\$4,000
Apples	Jakarta	\$1,000	APL	July 1	\$3,100	\$4,100
Apples	Keelung/Kaohsiung	\$1,000	APL	July 1	\$3,000	\$4,000
Apples	Pt. Kelang	\$1,000	APL	July 1	\$3,100	\$4,100
Apples	Hong Kong	\$800	Evergreen	July 1	\$2,800	\$3,600
Apples	Hong Kong	\$700	Cosco	July 1	\$2,225	\$2,925
East Coast Poultry	Gdynia	\$400	Lykes Lines	August 1	\$2,900	\$3,300
East Coast Poultry	Gdynia	\$300	Evergreen	July 3	\$3,600	\$3,900

Dry commodities

Hay	Keelung/Kaohsiung	\$100	Lloyd Trestino	July 3	\$900	\$1,000
Hay	Tokyo	\$100	Lloyd Trestino	July 3	\$750	\$850

Source: Various shipping line Web sites, Federal Maritime Commission

Agricultural Container Indicators

[Back to Homepage](#)

Background Data and Calculations

Rate data represent shipments to the following Asian ports: Bangkok, Busan/Pusan, Ho Chi Minh City, Hong Kong, Jakarta, Keelung/Koahsiung, Manila, Port Kelang, Singapore, and Tokyo/Yokohama.

Volume data represent exports shipped to the following Asian countries: Japan, Korea, China, Hong Kong, Taiwan, Indonesia, Thailand, the Philippines, India, Malaysia, Singapore, Saudi Arabia, the United Arab Emirates, Pakistan, Israel, Bangladesh, Kuwait, Vietnam, Lebanon, Jordan, Sri Lanka, Bahrain, Yemen, Qatar, Oman, North Korea, Syria, Cambodia, Burma, Macau, Brunei, Nepal, Iran, and Mongolia.



The files contained in some of these pages are in Adobe Acrobat [PDF] format. Visit the [Adobe Acrobat Web site](#) if you need to download the Adobe Acrobat Reader used to view PDF files.

For information about this report, contact [April Taylor](#), or [Ron Hagen](#).
For technical assistance with this Web site, contact [April Taylor](#).

Agricultural Container Indicators

[Back to Homepage](#)

Sources and Related Information

Sources

Rates and surcharges reported in the AgCI are taken from the [Ocean Rate Bulletin](#) (ORB).

The ORB offers a side-by-side comparison of rates for high-valued containerized agricultural commodities using actual shipping line market share.

- Exchange rates compiled by the [Federal Reserve](#)
- Fuel price data compiled by the [Energy Information Administration of the Department of Energy](#)
- Surcharge information provided by the Westbound Transpacific Stabilization Agreement Web site at www.wtsacarriers.org/charges.html

Volume data reported in the AgCI are taken from the Port Import Export Reporting Service (PIERS), a product of the *Journal of Commerce*.

Trade Data:

- Department of Commerce, U.S. Census Bureau
- USDA Foreign Agricultural Service and Economic Research Service

Capacity and utilization data used in the AgCI are sourced from the *On Board Review*, a product of PIERS and the *Journal of Commerce*.

Additional Resources:

[Agricultural Ocean Transportation Trends](#) (semiannual publication)

[Identity Preserved Grain, A Logistical Overview](#) (.pdf)

[Federal Maritime Commission](#)



The files contained in some of these pages are in Adobe Acrobat [PDF] format. Visit the [Adobe Acrobat Web site](#) if you need to download the Adobe Acrobat Reader used to view PDF files.

For information about this report, contact [April Taylor](#), or [Ron Hagen](#).

For technical assistance with this Web site, contact [April Taylor](#).

Agricultural Container Indicators

[Back to Homepage](#)



The files contained in these pages are in Adobe Acrobat [PDF] format. Visit the [Adobe Acrobat Web site](#) if you need to download the Adobe Acrobat Reader used to view PDF files.

	PDF Version
Issue IV	First Quarter 2004
Issue III	Fourth Quarter 2003
Issue II	Third Quarter 2003
Issue I	Second Quarter 2003

For information about this report, contact [April Taylor](#), or [Ron Hagen](#).
For technical assistance with this Web site, contact [April Taylor](#).